

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
for Adoption of its 2004 Energy Resource
Recovery Account (ERRA) Forecast Revenue
Requirement, for Review of Contract
Administration, Least Cost Dispatch and
Procurement Activities during the Record Period
January 1, 2003, Through May 31, 2003, and for
Approval of its 2004 Ongoing Competition
Transition Charges (CTC) Revenue Requirement
and Proposed Rate Design. (U 39 E)

Application 03-08-004
(Filed August 1, 2003)

**UPDATED SCOPING MEMO AND RULING OF THE ASSIGNED
COMMISSIONER AND ADMINISTRATIVE LAW JUDGE REGARDING THE
SEVEN-MONTH 2003 RECORD PERIOD**

Summary

On March 17, 2004, Pacific Gas and Electric Company (PG&E) filed a motion to add the review of the contract administration, least cost dispatch, and procurement activities for the last seven months of 2003 (June 1, 2003 through December 31, 2003) to this proceeding. In the April 16, 2004 administrative law judge's (ALJ) ruling, PG&E's motion was granted.

The procedural schedule for addressing the seven-month record period was discussed at the May 3, 2004 prehearing conference. It was decided that the schedule for the seven-month period should be issued following the establishment of testimony due dates in the generation resource planning rulemaking, Rulemaking (R.) 04-04-003.

Today's ruling and updated scoping memo addresses the issue to be resolved in the seven-month record period, and the schedule that shall be followed in this proceeding.

Background

Originally, this proceeding was filed to address the 2004 Energy Resource Recovery Account (ERRA) revenue requirement forecast, the 2004 ongoing Competition Transition Charge (CTC) revenue requirement and rate design, and to review the contract administration, least cost dispatch, and procurement activities for the record period of January 1, 2003 through May 31, 2003. The scoping memo and ruling for these issues was issued on February 3, 2004.

PG&E filed a motion on March 17, 2004 to allow the remaining seven-month period in 2003 to be considered in this application. Since there was no designated proceeding in which to conduct a review of this seven-month time period, the April 16, 2004 ALJ ruling granted PG&E's motion.

At the May 3, 2004 prehearing conference, PG&E and the Office of Ratepayer Advocates (ORA) requested that the procedural schedule for resolving the issues associated with the seven-month record period be determined after the establishment of testimony due dates in R.04-04-003. On June 4, 2004, the ruling and scoping memo in R.04-04-003 was issued which set July 9, 2004 as the date for submitting the long-term plans and supporting testimony.

Updated Issue

As a result of the granting of PG&E's motion to include the seven-month record period in this proceeding, an additional issue will be included in the scope of this proceeding. This additional issue is whether PG&E's contract administration, generation resource dispatch, and procurement activities for June 1, 2003 through December 31, 2003 should be approved.

At the May 3, 2004 prehearing conference, PG&E and ORA indicated that evidentiary hearings may be needed as a result of the testimony to be submitted by PG&E on the seven-month record period. Evidentiary hearings shall be reserved for October 25, 2004, starting at 10:00 a.m., in the Commission's Hearing Room in San Francisco, through October 27, 2004. PG&E and ORA shall notify the ALJ and the service list by October 12, 2004, whether the evidentiary hearings on the seven-month record period should proceed or not.

Schedule

The following is the schedule that will be followed to resolve the seven-month record period in this proceeding:

PG&E's prepared testimony on the seven-month record period to be served on the parties	July 30, 2004
Prepared testimony of interested parties on the seven-month record period to be served on the parties	September 10, 2004
Rebuttal prepared testimony of all parties to be served	October 1, 2004
PG&E and ORA to notify the ALJ and the service list if the evidentiary hearings for the seven-month record period should proceed	October 12, 2004
Evidentiary hearings regarding the seven-month record period, if needed	October 25, 2004 through October 27, 2004.
Projected submission date	To be determined
Proposed decision or draft decision on the seven-month record period	On or about November 16, 2004
Decision on the seven-month record period adopted by the Commission	On or about December 16, 2004

The February 3, 2004 scoping memo and ruling regarding the categorization of this proceeding, the applicable ex parte rules, and the principal hearing officer shall remain in effect.

IT IS RULED that:

1. The scope of issues to be covered in this proceeding is expanded to include the issue of whether Pacific Gas and Electric Company's contract administration, generation resource dispatch, and procurement activities for June 1, 2003 through December 31, 2003 should be approved.

2. The schedule for the seven-month record period shall follow the schedule set forth in this ruling.

Dated June 18, 2004, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
Assigned Commissioner

/s/ JOHN S. WONG

John S. Wong
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Updated Scoping Memo and Ruling of the Assigned Commissioner and Administrative Law Judge Regarding the Seven-Month 2003 Record Period on all parties of record in this proceeding or their attorneys of record.

Dated June 18, 2004, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.